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Offshore Pipelining Report

SGA Celebrates 75th Anniversary

What's New In Valves/Actuators

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Founded in 1908, the Southern Gas Association has become the largest regional gas association in the U.S. For 75 years the SGA and the Southern gas industry have grown together. That growth is chronicled in a year-by-year historical review.

Deepest Offshore Gas Line Completed On West Coast 37

The 8.3-mile, 12-in. gas pipeline from Exxon's Hondo platform in 850 ft of water in the Santa Barbara Channel to a gas treatment facility near Los Flores Canyon was completed in March. The project director on the job takes a look at the installation of the line.

Deep Line Engineering Fine-Tuned By Transmed Experience 46

Construction of the Transmediterranean Gas Pipeline required development of a survey technique to evaluate the suitability of a given route and the smoothing operations required to achieve the necessary degrees of safety. Snamprogetti's experience showed the result of theoretical crossings of the Sicily Channel and Messin Strait matched the real behavior of the pipeline.

Versatile New Dispatch Control Proves Itself In Cincinnati 55

Cincinnati Gas & Electric's gas control system, using the latest in technology, has proven itself reliable during two heating seasons. System monitors more than 300 flows and pressures at 90 different locations and 80 status points, providing continuous information for operating a tri-state system with more than 367,000 customers.

What's New In Valves And Valve Actuators 61

COVER

Down the ramp into the North Sea offshore Denmark goes 30-in. gas line for Dansk Olie & Naturgas A/S, Denmark's state-owned gas company; line was installed by Saipem from the semisubmersible *Castoro Sei*.

– staff photo by A. Dean Hale

Industry-wide slump keeps profits down

Petroleum industry profits continued to be adversely affected by poor economic conditions worldwide. The 65 oil companies responding to our survey report a 19.9% drop in earnings for the fourth quarter and a 19.8% decrease for the year. Profit margin for the group fell from 5.1% to 4.4%.

Mobil Corp.'s earnings dropped 52% in the fourth quarter, from $587 million to $282 million. U.S. oil earnings fell due to higher exploration expenses, low crude prices, and reduced demand for natural gas. Foreign oil earnings plunged 44% because of reduced liftings in the Middle East, higher exploration expenses, higher tax provisions in Norway, and lower crude prices.

Throughout 1982, petroleum supply exceeded demand, causing downward pressure on petroleum prices. As a result, Texaco reported a 39.6% decline in earnings for the quarter and a 44.5% drop for the year. The company also blamed OPEC for failing to recognize the realities of the marketplace, regarding both demand and the impact of spot market activity.

Gulf Oil's fourth quarter earnings dropped 24.5%, from $301 million to $226 million. Earnings for the year fell 26.9%. Gulf's chairman, James E. Lee, is not surprised that demand for the company's products fell for the third year in a row, "with much of industrial America flat on its back and the economies of Canada and Western Europe in a recession." The most seriously affected areas of Gulf's business was refining, marketing, and chemicals. Lower interest income, coupled with higher interest expense, also reduced net income.

Increased crude oil production, higher natural gas prices, and lower exploration expense and dry hole costs, generally offset the negative impact of lower crude prices, lower natural gas production, and higher writeoffs at Shell Oil. Net income for the quarter fell from $458 million to $438 million, a 4.4% decline. Earnings for the year were down 5.6%.

Sun Co. reported a 66.3% drop in earnings for the fourth quarter and a 50.1% decline for the year. Profit from U.S. exploration and production fell to $145 million from $165 million and after-tax costs of $22 million due to trimming of its workforce contributed to the decline.

Higher exploration expenses and increased interest costs combined to cause a 2.9% drop in net income for the quarter and a 3.5% decrease for the year at Standard Oil (Ohio).

Atlantic Richfield's earnings for the year increased slightly to $1.676 billion from $1.671 billion in 1981. Increased production of crude oil from the North Slope of Alaska, higher prices for natural gas, and improved earnings from refining and marketing were the principle reasons for the increase. Net income for the quarter fell 7.6%.

Smaller losses for overseas downstream operations and higher Canadian petroleum earnings were behind Standard Oil (Indiana)'s 8.1% fourth quarter gain in net income. Earnings for the year were down 5%, benefiting from a significant recovery in U.S. refining, marketing, and transportation activities.

Exxon reported earnings in the fourth quarter of $1.48 billion compared to $1.38 billion in the same period of 1981, an increase of 6.9%. For the year, net income dropped 13.3%, from 4.18 billion in 1982 to $4.82 billion in 1981.

Higher charges attributable to their expanded exploration program, reduced American Petrofina's net income in the fourth quarter to $14.8 million, a 12.7% decline from 1981's $16.9 million. Earnings for the year dropped 26.6%.

Belco Petroleum reported a 5.3% increase in net income for the quarter and a 5.8% rise for the year, due primarily to higher natural gas production and prices in the U.S., higher oil and gas production in Peru, and higher oil and gas production coupled with significantly

OIL COMPANIES' FOURTH QUARTER FINANCIAL REPORTS

Company	Three months ending December 31** Revenues ($000) 1982	1981	% Chg.	Earnings* ($000) 1982	1981	% Chg.	Twelve months ending December 31** Revenues ($000) 1982	1981	% Chg.	Earnings* ($000) 1982	1981	% Chg.	Profit Margin 1982	1981
Amerada Hess	2,116,414	2,339,424	- 9.5	43,613	48,248	- 9.6	8,394,085	9,443,530	- 11.1	168,662	212,591	- 20.7	2.0	2.3
American Petrofina	530,350	531,209	- 0.2	14,835	16,989	- 12.7	2,253,678	2,522,154	- 10.6	54,401	74,140	- 26.6	2.4	2.9
Argonaut Energy	623	2,366	- 73.7	(677)	164		2,221	5,870	- 62.2	2,606	(151)		17.3	
Ashland Oil	2,079,812	2,409,350	- 13.7	23,722	42,020	- 43.5	8,780,340	9,885,230	- 11.2	124,586	94,592	+ 31.7	1.4	1.0
Asamera							449,241	470,593	- 4.5	3,597	9,693	- 62.9	0.8	2.1
Atlantic Richfield	7,095,135	7,140,262	- 0.6	434,007	469,818	- 7.6	26,990,557	28,208,255	- 4.3	1,676,078	1,671,290	+ 0.3	6.2	5.9
Belco Petroleum	98,330	82,333	+ 19.4	27,769	26,366	+ 5.3	344,367	317,098	+ 8.6	104,034	98,350	+ 5.8	30.2	31.0
Brock Exploration[1]	2,280	2,808	- 18.3	215	558	- 61.5	5,370[2]	6,267[2]	- 14.3	(350)[2]	581[2]			9.3
Callon Petroleum[3]	6,193	3,627	+ 71.0	75	327	- 77.1	21,510	11,432	- 88.2	1,446	1,689	- 14.4	7.0	15.0
Commonwealth Oil Refin.	19,800	203,500	- 90.3	23,800	175,700	- 86.4	307,800	1,012,900	- 69.6	45,900	258,700	- 82.3	14.9	25.5
Crown Central	497,202	422,061	+ 17.8	4,598	14,865	- 69.1	1,782,000	1,502,000	+ 18.6	7,016	3,362	+108.7	0.4	0.2
Damson Oil[4]	71,803	49,766	+ 44.3	6,134	5,096	+ 20.4							8.5	10.2
Diamond Shamrock	755,339	872,548	- 13.4	46,196	59,733	- 22.7	3,177,379	3,376,215	- 5.9	149,543	230,156	- 35.0	4.7	6.8
Dorchester Gas[3]	409,516	228,299	+ 79.4	5,614	5,450	+ 3.0	1,159,101[6]	712,033[6]	+ 62.8	17,812[6]	31,287[6]	- 43.1	1.5	4.4
Dyco Petroleum	12,810	13,759	- 6.9	3,597	4,624	- 22.2	56,509	49,182	+ 14.9	15,532	14,992	+ 3.6	27.5	30.5
Engle Exploration	1,080	153	+605.9	(650)	(114)		2,524[2]	569[2]	+343.6	(1,411)[2]	(234)[2]			
Enstar Corp.	80,479	100,589	- 20.0	11,125	8,812	+ 26.3	342,796	360,842	- 5.0	42,103	41,567	+ 1.3	12.3	11.5
Equity Oil	6,334	6,192	+ 2.3	1,364	1,292	+ 5.6	23,674	24,951	- 5.1	3,268	5,572	- 41.3	13.8	22.3
Exxon	26,393,545	29,756,561	- 11.3	1,480,932	1,385,215	+ 6.9	103,558,545	114,922,561	- 9.9	4,185,932	4,826,215	- 13.3	4.0	4.2
Felmont	19,450	22,820	- 14.8	3,005	4,353	- 31.0	77,472	79,091	- 2.0	14,037	16,749	- 16.2	18.1	21.2
Forest Oil Corp.	36,410	38,523	- 5.5	2,109	1,507	+ 40.0	152,465	142,335	+ 7.1	12,009	5,104	+135.3	7.9	3.6
Freeport McMoRan	191,831	199,754	- 4.0	(17,447)	26,059		747,888	835,404	- 10.5	65,946	159,366	- 58.6	8.8	19.1
General American	88,907	85,645	+ 3.8	12,985	18,557	- 30.0	347,883	354,016	- 1.7	59,009	59,680	- 1.1	17.0	16.9
Getty Oil	3,000,878	3,472,840	- 13.6	172,445	216,266	- 20.3	12,311,612	13,251,560	- 7.1	690,712	855,902	- 19.3	5.6	6.5
Gulf Energy & Develop.	27,718	17,652	+ 57.0	1,308	2,981	- 56.1	91,110	60,132	+ 51.5	5,102	8,047	- 36.6	5.6	13.4
Gulf Oil Corp.	8,160,000	7,935,000	+ 2.8	226,000	301,000	- 24.9	30,658,000	30,461,000	+ 0.7	900,000	1,231,000	- 26.9	2.9	4.0
Holly Corp.[7]	104,255	129,794	- 19.7	5,445	5,398	+ 0.9	539,628	412,438	+ 28.7	10,516	5,672	+ 85.4	1.9	1.4
Inexco Oil	47,478	62,621	- 24.2	4,070	9,596	- 57.6	217,539	238,738	- 8.9	18,865	31,921	- 40.9	8.7	13.4
Louisiana L&E	331,302	342,791	- 3.3	23,173	18,533	+ 25.0	1,205,175	1,277,539	- 5.7	76,252	145,229	- 47.5	6.3	11.4
Mapco Inc.	540,701	581,242	- 7.0	19,695	31,114	- 36.7	1,992,947	2,179,034	- 8.5	73,822	96,890	- 23.8	3.7	4.4
Maynard Oil							33,307	43,799	- 23.9	(3,399)	4,520			10.3
Mesa Petroleum	103,295	99,399	+ 3.9	27,712	28,120	- 12.1	406,963	407,744	- 0.2	115,945	106,379	+ 9.0	28.5	26.1
Mitchell Energy[8]	255,785	285,666	- 10.5	22,446	35,280	- 36.4	961,713	1,064,844	- 9.7	80,303	115,217	- 30.3	8.4	10.8
Mobil Corp.	16,184,000	18,095,000	- 10.6	282,000	587,000	- 52.0	63,828,000	68,587,000	- 6.9	1,380,000	2,433,000	- 43.3	2.2	3.6
Murphy Oil	714,914	684,686	+ 4.4	40,141	38,458	+ 4.4	2,698,840	2,543,380	+ 6.1	159,093	163,006	- 2.4	5.9	6.4
Natomas	441,322	441,359		(8,367)	48,807		1,655,786	1,582,396	+ 4.6	44,000	232,527	- 81.1	2.7	14.7
Noble Affiliates	91,526	106,166	- 13.8	9,858	21,972	- 55.1	408,787	394,606	+ 3.6	70,261	80,281	- 12.5	17.2	20.6
Oxoco	12,402	12,723	- 2.5	2,139	2,768	- 22.7	39,226	28,340	+ 38.4	7,392	5,563	+ 32.9	18.8	19.6
Pacific Resources	395,270	314,559	+ 25.7	6,873	9,608	- 28.5	1,237,219	1,081,477	+ 14.4	9,798	17,106	- 42.7	0.8	1.6
Pennzoil Co.	529,144	652,982	- 19.0	50,486	54,778	- 7.8	2,268,511	2,681,751	- 15.4	188,713	221,642	- 14.9	8.3	8.3
Petro-Lewis	92,546	53,829	+ 72.1	7,931	4,312	+ 84.0	240,700[9]	180,000[9]	+ 33.7	17,200[9]	30,400[9]	- 43.4	7.1	7.9
Prairie Producing Co.	5,539	7,425	- 25.4	1,857	730	+154.4	25,570	30,061	- 14.9	5,259	6,758	- 22.2	20.6	22.5
Phillips Petroleum	4,062,727	4,091,181	- 0.7	154,593	186,526	- 17.1	15,891,612	16,287,753	- 2.4	645,856	879,364	- 26.6	4.1	5.4
Premier Resources[4]	2,963	3,518	- 15.8	(2,319)	(1,326)		13,185	12,061	+ 9.3	(1,691)	(345)			
Presidio Oil	3,486[9]	3,918[9]	- 10.9	255[9]	498[9]	- 48.8	1,727	1,924	- 10.2	105	183	- 42.6	6.1	9.5
Quaker State	210,144	229,177	- 8.3	7,216	6,747	+ 7.0	928,933	918,913	+ 1.1	38,568	27,367	+ 41.0	4.2	3.0
Sabine Corp.	49,706	46,749	+ 6.3	3,017	5,628	- 46.3	197,422	172,670	+ 14.3	24,450	28,342	- 13.7	12.4	16.4
Shell Oil	5,176,000	5,193,000	- 0.3	438,000	458,000	- 4.4	20,214,000	21,739,000	- 7.0	1,605,000	1,701,000	- 5.6	7.9	7.8
Southland Royalty	83,374	99,054	- 15.8	4,884	8,895	- 45.1	357,925	400,139	- 10.5	28,659	36,216	- 20.9	8.0	9.1
Southwestern Energy	16,660	13,315	+ 25.1	4,675	2,991	+ 56.3	62,712	54,756	+ 14.5	13,020	12,533	+ 3.9	20.8	22.9
Standard Indiana	7,500,000	7,800,000	- 3.8	415,000	384,000	+ 8.1	29,900,000	31,700,000	- 5.7	1,826,000	1,922,000	- 5.0	6.1	6.1
Standard Ohio	3,216,700	3,773,300	- 14.7	463,900	477,800	- 2.9	13,529,200	14,140,200	- 4.3	1,879,100	1,946,900	- 3.5	13.9	13.8
Statex Petroleum[8]	3,003	3,368	- 10.8	(72)	581									17.3
Sun Co.	4,100,000	4,500,000	- 8.9	151,000	448,000	- 66.3	16,300,000	16,400,000	- 0.6	537,000	1,076,000	- 50.1	3.3	6.6
Superior Oil	504,100	560,500	- 10.1	24,000	73,200	- 67.2	2,040,500	2,057,400	- 0.8	223,400	361,300	- 38.2	10.9	17.6
Tenneco	3,978,100	4,312,200	- 7.8	288,000	260,000	+ 10.8	5,396,300	15,383,100	+ 0.1	819,000	813,000	+ 0.7	4.9	4.9
Tesoro[4]	604,368	652,750	- 7.4	9,627	19,376	- 50.3	2,439,853	3,034,768	- 19.6	42,518	73,583	- 42.2	1.7	2.4
Texaco Inc.	11,700,000	14,600,000	- 19.9	306,000	507,000	- 39.6	48,000,000	59,300,000	- 19.1	1,281,000	2,310,000	- 44.5	2.7	3.9
Tomlinson Oil[3]	24,447	27,100	- 9.8	(216)	(865)									
Tosco Corp.	913,745	901,492	+ 1.4	3,054	30,095	- 90.0	3,465,964	3,431,491	+ 1.0	132,312	22,579	+486.4	3.8	0.7
Total Petroleum N.A.	583,772	654,938	- 10.9	5,248	(14,667)		2,233,056	2,380,538	- 6.2	12,752	(63,608)		0.6	
Union Oil of California	2,736,100	2,911,400	- 6.0	225,100	236,000	- 4.6	10,899,100	11,296,200	- 3.5	804,000	791,400	+ 1.6	7.4	7.0
Universal Resources	12,599	17,282	- 27.0	(115)	3,679		58,117	63,707	- 8.8	6,609	13,601	- 51.4	11.4	21.4
Woods Petroleum	22,088	22,900	- 3.5	6,483	8,632	- 24.9	83,048	71,969	+ 15.4	23,018	21,897	+ 5.1	27.7	30.4
Worldwide Energy	17,367	16,338	+ 6.0	1,262	568	+122.2	58,777	54,474	+ 7.9	857	(574)		1.5	
TOTAL	117,073,267	128,231,763	- 8.7	5,486,525	6,846,218	- 19.9	461,869,469	499,649,530	- 7.6	20,474,523	25,522,789	- 19.8	4.4	5.1

**Excluding non-recurring items. *Earnings available to common stock. ( ) Loss. [1]Ends March 31. [2]Nine months. [3]Ends Nov. 30. [4]Ends Sept. 30. [6]Ends Aug. 31. [7]Ends July 31. [8]Ends Jan. 31. [9]Six months.

higher oil prices and tax credits in Canada.

Callon Petroleum's fourth quarter earnings fell 77.1%, from $327,000 to $75,000. Net income for 1982 dropped to $1.4 million from $1.6 million in 1981, a 14.4% decline.

While gas processing, refining and marketing-terminalling operations improved, contract drilling and industrial equipment sales posted substantial losses at Dorchester Gas, resulting in a 43.1% drop in earnings for 1982. Net income for the quarter however, increased 3%.

Enstar's 1982 net income increased slightly to $42.1 million, compared with 1981 earnings of $41.6 million due to decreased interest expense and a lower after-tax charge for the redemption fund of the Virginia International Company Special Stock. Fourth quarter earnings increased 26.3%.

Lower level of dry hole expense improved fourth quarter results considerably at Equity Oil where net income increased 5.6%. For the year, however, earnings dropped 41.3%, from $5.57 million in 1981 to $3.26 million in 1982.

Felmont Oil reported earnings of $3 million for the fourth quarter 1982 compared to $4.35 million in 1981, a 31% drop-off. Net income for the year fell 16.2%, from $16.7 million to $14 million.

Hampered by customer gas curtailment, soft liquid prices, and higher feedstock costs, Gulf Energy & Development's earnings dropped 56.1% for the quarter and 36.6% for the year.

The worldwide slowdown in economic activity adversely affected Louisiana Land and Exploration's earnings for 1982 which dropped 47.5%. Lower oil, copper, and refined product prices as well as decreased demand for copper and natural gas contributed significantly to the decline. Net income for the quarter increased 25% due to a lower effective tax rate, improved real estate sales, and a reduction in overhead and petro-

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GAS COMPANIES' FOURTH QUARTER FINANCIAL REPORTS

Company	Three months ending December 31**						Twelve months ending December 31**						Profit Margin	
	Revenues ($000)			Earnings* ($000)			Revenues ($000)			Earnings* ($000)				
	1982	1981	% Chg.	1982	1981	% Chg.	1982	1981	% Chg.	1982	1981	% Chg.	1982	1981
Alabama Tennessee N.G.	36,277	30,263	+ 20.0	1,542	1,651	- 6.6	132,872	116,805	+ 13.8	5,858	5,786	+ 1.2	4.4	5.0
ARKLA	316,247	282,333	+ 12.0	10,166	8,386	+ 21.2	1,296,584	1,179,139	+ 1.0	95,380	87,560	+ 8.9	7.4	7.4
Coastal Corp.	1,582,419	1,314,797	+ 20.4	22,582	1,929	+1070.7	5,818,797	5,925,476	- 1.8	65,630	(20,399)		1.1	
Columbia Gas	1,407,690	1,351,070	+ 4.2	64,357	74,357	- 13.0	5,070,591	4,426,243	+ 14.6	180,063	194,085	- 7.2	3.6	4.4
Consolidated N.G.	883,670	810,597	+ 9.0	37,312	37,942	- 1.7	3,210,985	2,738,164	+ 17.3	155,420	131,656	+ 18.1	4.8	4.8
El Paso Companies	1,188,990	1,127,620	+ 5.4	(12,926)	39,409		4,364,042	3,909,023	+ 11.6	53,236	147,257	- 63.8	1.2	3.8
ENSERCH Corp.	913,433	852,953	+ 7.1	25,747	46,140	- 44.2	3,787,675	3,362,474	+ 12.6	157,353	196,959	- 20.1	4.2	5.8
InterNorth	1,188,406	1,029,312	+ 15.4	30,799	60,937	- 49.5	4,158,986	3,641,567	+ 14.2	181,275	253,512	- 28.5	4.4	7.0
Kansas-Nebraska N.G.	135,086	133,311	+ 1.3	8,516	6,911	+ 23.2	488,319	451,037	+ 8.3	26,452	25,574	+ 3.4	5.4	5.7
National Fuel Gas	276,932	267,766	+ 3.4	6,777	12,308	- 44.9	1,006,714	912,438	+ 10.3	27,048	27,846	- 2.9	2.7	3.1
Northwest Energy	599,514	452,847	+ 32.4	29,130	18,008	+ 61.8	1,601,832	1,377,259	+ 16.3	60,238	68,107	- 11.6	3.8	4.9
NOVA, An Alberta Corp.	1,054,973	798,675	+ 32.1	32,473	20,378	+ 59.4	3,501,798	2,669,551	+ 31.2	91,181	97,028	- 6.0	2.6	3.6
ONEOK Inc.	255,422	274,518	- 7.0	8,113	12,317	- 34.1	1,088,620	1,109,843	- 1.9	49,988	59,078	- 15.4	4.6	5.3
Pacific Lighting	1,196,123	1,006,128	+ 18.9	39,208	18,897	+107.5	4,404,395	3,401,489	+ 29.5	122,946	117,225	+ 4.9	2.8	3.4
Panhandle Eastern	880,075	803,229	+ 9.6	35,368	48,664	- 27.3	3,391,465	3,266,253	+ 3.8	219,876	216,604	- 16.0	6.5	8.0
Peoples Energy	335,971	367,077	+ 8.7	4,548	11,119	- 59.0	1,511,384	1,395,243	+ 8.3	39,381	50,228	- 21.6	2.6	3.6
Pioneer Corp.	252,579	317,516	- 20.5	18,688	25,206	- 25.9	1,118,736	1,224,645	- 8.6	91,244	110,204	- 17.2	8.2	9.0
Sonat Inc.	747,598	728,047	+ 2.7	43,999	44,643	- 1.4	2,737,696	2,629,003	+ 4.1	204,639	173,672	+ 17.8	7.5	6.6
Texas Eastern Corp.	1,502,728	1,242,618	+ 20.9	13,382	60,124	- 77.7	5,654,353	4,526,114	+ 24.9	161,334	220,634	- 26.9	2.9	4.9
Texas Gas Transmission	770,205	764,851	+ 0.7	27,399	25,981	+ 5.5	2,877,590	2,649,265	+ 8.6	111,268	128,684	- 13.5	3.9	4.9
TransCanada PipeLines	899,727	925,455	- 2.8	50,905	42,592	+ 19.5	3,466,915	3,404,897	+ 1.8	161,128	125,573	+ 28.3	4.6	3.7
Transco Energy Co.	1,060,900	897,201	+ 18.2	20,899	41,286	- 49.4	3,869,329	3,475,667	+ 11.3	129,202	132,343	- 2.4	3.3	3.8
Union Gas Ltd.	301,586	280,686	+ 7.4	9,536	10,208	- 6.6	705,525[1]	621,537[1]	+ 13.5	13,669[1]	12,116[1]	+ 12.8	1.9	1.9
United Energy Res.	1,316,100	1,505,300	- 12.6	33,300	56,800	- 41.4	5,561,800	5,431,000	+ 2.4	192,400	215,700	- 10.8	3.5	4.0
Westcoast Transmission	362,114	363,904	- 0.5	14,998	19,065	- 21.3	1,153,440	1,270,330	- 9.2	70,047	65,426	+ 7.1	6.1	5.2
TOTAL	19,464,765	17,928,574	+ 8.6	576,818	734,651	- 21.5	71,980,443	65,114,462	+ 10.5	2,666,226	2,887,458	- 7.7	3.7	4.4

** Excluding non-recurring items. *Earnings available to common stock. [1]Nine months. ( ) Loss.

leum operating costs.

Natomas posted an 81.1% drop in net income for 1982. Higher interest expenses and declines from Natomas' international and domestic petroleum operations are blamed. For the quarter, the company reported an $8.4 million loss.

The depressed contract drilling market as well as a decline in oil and gas operating income caused by foreign exchange losses, high dry hole expenses, and weak natural gas demand resulted in a 55.1% decline in fourth quarter earnings for Noble Affiliates. Net income for 1982 fell 12.5%.

Oxoco's 1982 earnings increased 32.9% due primarily to higher profitability on oil and gas activities. For the quarter, net income fell 22.7%.

Sharply reduced natural gas sales, losses in the metals division, and a decrease in sulphur sales combined in 1982 for a 14.9% drop in earnings at Pennzoil for the year and a 7.8% decrease for the quarter.

Superior Oil reported a 67.2% decrease in net income in the fourth quarter and a 38.2% drop in 1982. In addition to the impact of the recession on oil and gas prices, the company experienced larger lease impairments, higher exploration and dry hole costs, and absorbed substantial losses of its mining affiliates.

In spite of a harsh recessionary economy, Tenneco posted record net income for both the year and the fourth quarter. In 1982, earnings increased from $813 million to $819 million. For the quarter, net income increased 11.8%.

Continuing depressed domestic drilling activity, reduced production levels of foreign crude oil and natural gas, and reduced domestic crude oil prices are blamed for Tesoro Petroleum's 50.3% decline in fourth quarter earnings and a 42.2% drop-off for the year.

Fourth quarter earnings at Tosco Corp. were down 90%, while net income for the year increased 486%. Even though the year was highly profitable, toward the end of 1982 a costly and destructive war to increase market position by the majors reduced gasoline prices, sometimes below the cost of crude oil, the company noted.

Lower demand for natural gas and related services contributed to a 21.5% decline in fourth quarter earnings for the 25 gas companies in our survey group. Profit margin fell from 4.4% to 3.7%.

The El Paso Company's gain in earnings from exploration and production activities, sales of natural gas liquids, and the sale of an interest in certain insurance assets was more than offset by the adverse effect of a reduction in gas market demand, reduced revenues and volumes on the sales of chemical products and higher interest expense. The company reported a loss for the quarter and a 63.8% decline in earnings for the year.

Peoples Energy's fourth quarter earnings dropped 59% due to reduced gas sales resulting from the sluggish economy, substantially warmer weather, and the loss of large-volume commercial and industrial sales to low-sulphur No. 6 oil, along with higher operating costs. For the year, net incomes declined 21.6%.

The downturn in the petroleum industry is blamed for ONEOK's 34.1% drop-off in earnings for the quarter and 15.4% decline for the year.

A decline in earnings from Pacific Lighting's utility sector was made up by a substantial increase in earnings from their federally regulated gas pipeline operations, and oil and gas exploration and production activities. Fourth quarter earnings were up 107%, while net income for the year increased 4.9%.

TransCanada PipeLines' earnings increased from $42.5 million in the previous quarter to $50.9 million in the fourth quarter. For 1982, net income was up 28.3%.

United Energy Resources' 1982 operations were adversely affected by the recession in the energy sector, resulting in a 41.4% decline in fourth quarter earnings and a 10.8% drop-off for the year. ■

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